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Dec. 03 2002 06:14PM P2

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ENVIRONMENTAL PERMITS

December 3, 2002

Don Ugelstad Ash Grove Cement Company 3801 E. Marginal Way South Seattle, WA 98134-1147 #01-03

Ref: Material Recovery - Permit Progress

Dear Don:

This is a heads up that all necessary permits and approvals for the referenced project could be in-hand within a week or so.

Following is a status report:

Corps of Engineers Approval

- EPA/Superfund Site. US Environmental Protection Agency has approved the project with the following conditions:
 - 1) BMPs are to be made a permit condition and turbidity is to be minimized.
 - 2) No sediment is to be returned to the waterway.
- ESA/ National Marine Fisheries Service. NMFS has concurred on a single dredge
 action, at this time. A key element to their approval was Ash Grove's commitment to
 annually monitor material spillage and make additional modifications to the
 conveyor/off-loading system if it is not substantially reduced.
- The Corps published its 28 day public notice about six weeks ago. They should be
 just about completed with their internal process to issue their permit. The project
 manager will be out until the end of this week, at which we will be able to get a
 clearer reading.

Washington Department of Ecology

The project requires a Water Quality Certification and Coastal Zone Management consistency certification. We have received assurances that these will be processed this week.

USEPA SF

AGC2C000314

Washington Department of Fish and Wildlife

The Hydraulics Project Approval (HPA) has been issued for the project. Conditions include:

- 1) Work window 10/15 1/31.
- 2) Notify WDFW 3 days prior to starting project.
- 3) Preparation of a post project bathymetry report.

City of Scattle

A Shoreline Exemption was issued and a SEPA determination of non-significance (DNS) with conditions has been received. The conditions include:

- 1) Follow BMPs during the dredging operations.
- 2) Obtain other regulatory permits and follow required conditions.

Conclusion

Other than waiting for the Corps and WDOE to complete their formal approvals, it appears that the only remaining issue to be handled is to make arrangements for preproject and post project bathymetry of the project area. The pre-project bathymetry is to guide the dredging operation. The post-project bathymetry is a requirement of the HPA and will be necessary to establish the baseline for annual monitoring. We will prepare a proposal for you within the next few days to provide these services.

Please call Jay or me if you have any questions.

Yours truly,

Al Elliott

Spearman Engineering

Cc: Jim Sherman, General Construction